REMARKS

Claims 1-29 and 31 are pending and stand rejected. Claims 1-8, 17-22, and 23-29 and 31 stand rejected under 35 USC § 103(a) as being unpatentable over Goeller et al. U.S. Pat. App. Pub. 2002/0178112 A1 (hereinafter "Goeller") in view of Drummond et al. U.S. Pat. App. Pub. 2003/0217005 A1 (hereinafter "Drummond").

Claims 9-16 stand rejected under 35 USC § 102(b) as being anticipated by Goeller. Applicants respectfully maintain that the anticipation and obviousness rejections with respect to the claims are traversed in light of the following remarks.

Claim rejections under 35 USC § 103(a)

The Office action rejected claims 1-8, 17-22, 23-29 and 31 under 35 USC § 103(a) as being unpatentable over Goeller in view of Drummond. To establish a prima facie case of obviousness, the modification or combination must teach or suggest all of Applicants' claim limitations.[1] The key to supporting any rejection under 35 USC § 103 is the clear articulation of the reason(s) why the claimed invention would have been obvious.[2] Additionally, all words in a claim must be considered in judging the patentability of that claim against the prior art.[3]

Applicants again respectfully argue and maintain that the combination of Goeller in view of Drummond fails to establish a prima facie case of obviousness for independent claims 1, 17, and 23 because the combination fails to teach or suggest all of Applicants' claim limitations. In particular, the combination fails to teach or suggest **creating a "negotiable instrument"**.

[1] *In re Royka*, 490 F.2d 981, 985, 180 USPQ 580, 583 (CCPA 1974).
[2] Manual of Patent Examining Procedure §2142; *KSR International Co. v. Teleflex Inc.*, 550 U.S. ___, ___, 82 USPQ2d 1385, 1396 (2007).
[3] *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970).

The Office Action states "Goeller does not explicitly disclose generating a negotiable instrument, wherein the negotiable instrument comprises a check object based upon the image, the amount, and the check information, wherein the check object includes the image (see Goeller paras 0054). However, a secondary reference, Drummond, explicitly discloses generating a negotiable instrument, wherein the negotiable instruments comprises a check object based upon the image, the amount, and the check information, wherein the check object includes the image (see Drummond paras 0262)." (p. 3, lines 6-12). However, contrary to this assertion, Applicants again respectfully point out and maintain that **neither Goeller nor Drummond** teach or suggest **generating a negotiable instrument which includes an image of the check**.

Instead of creating a negotiable instrument, Applicants respectfully submit that Goeller is directed toward **authorizing** the converted paper checks "**online in real-time** at the point of sale." (Goeller [0012], with emphasis added). In other words, Goeller is not geared toward creating negotiable instruments from the paper checks, but authorizing the converted checks in a rapid fashion. Further support for this argument is found in the statement of Goeller "For a merchant, the POS Check Service lowers the cost of check processing, reduces risk because paper check handling is eliminated, **speeds customer checkout, provides more efficient clearing and settlement**, reduces losses by providing options for check guarantee or verification, **and lowers check losses by retrieving online check authorizations directly from the bank on which the check is drawn.**" (Goeller [0014], with emphasis added).

Again, Applicants respectfully maintain that Goeller generally describes how a point-of-sale (POS) Check Service may **convert a** paper **check** online and **in real-time into an electronic funds transaction** (Goeller abstract; see also [0012], with emphasis added). Applicants submit that Goeller eliminates the need for any negotiable instrument, as funds are transferred in real-time (Goeller abstract; [0012]). In other words Goeller eliminates the need for a negotiable instrument, and replaces the check with a *transaction*.

As an example in support of Applicants' argument, Goeller paragraph 0054 starts describing the different elements of the flowchart in figure 5 and how an embodiment may convert a check *into an electronic transaction.* More specifically, paragraph 0054 describes how a clerk may enter the **amount** of the transaction, with one way entering the amount "using scanning or other known techniques." (lines 5-9 of [0054]). Subsequently, paragraph 0055 goes on to describe how the check may be "swiped" to obtain the MICR information (lines 1-5 of [0055]; see also element 310 of figure 5). Paragraph 0115 of Goeller reiterates how check information, such as the amount of the transaction and the MICR information may be entered automatically, such as with OCR (optical character recognition) equipment ([0115]). Applicants respectfully maintain that paragraph 0115 does not disclose or suggest creating an image of a check.

Contrasted with Goeller, embodiments of Applicants **create a negotiable instrument** which comprises a "check object" (or "e-check") which includes an image of the check and binary data of the check information (see [0016]). Having an e-check based on the binary data and the check image may allow a merchant to **substitute the e-check** for the paper check **as the negotiable instrument** (see [0017]). For example, one embodiment described by Applicants may create a J-PEG image of the check ([0024]). Such an image differs considerably from "scanning" a check to obtain the **amount**, or "swiping" the check to read the MICR information.

As noted above, the Office Action states "... Drummond, **explicitly discloses generating a negotiable instrument**, wherein the negotiable instruments comprises a check object based upon the image, amount, and the check information, wherein the check object includes the image (see Drummond paras 0262)" (p. 3, lines 9-12, emphasis added). Applicants respectfully but vehemently disagree. Drummond generally teaches "an automated banking machine ... which **provides a user with** a remote **electronic receipt or** other **record** related to a transaction performed at the machine" (Drummond [0002], emphasis added). Specifically, Drummond describes how the image may be used

"to verify that a transaction was conducted by an authorized person" (Drummond [0245], emphasis added), or that "The **receipt may include** graphic information such as **an image of a check** or other instrument or item" (Drummond [0247], emphasis added). Applicants respectfully submit that paragraphs [0245] and [0247], as well as some of the subsequent paragraphs provide the proper context for understanding why Drummond is capturing an image of a check in [0262]. Applicants argue that Drummond is capturing an image for generating a **receipt**, *NOT* generating a negotiable instrument.

Applicants respectfully submit paragraph 0262, cited by Examiner (p. 3), does not disclose generating a negotiable instrument. Instead, paragraph 0262 describes how an ATM may generate an image of a received check and how copies of the image may be sent to people and/or entities associated with the transaction ([0262]). The image for the "receipt" may include video, such as video taken from a security camera at the ATM ([0262], see also [0255]). Drummond goes on to describe how the check image can be sent to the owner of the checking account, such as by an electronic message in an e-mail. Again, Applicants respectfully argue that Drummond creates an image of the check to serve as **a receipt for a transaction**.

Applicants again respectfully submit that the term "negotiable instrument" has a specific meaning to those possessing ordinary skill in the art. More specifically, to be negotiable, an instrument must meet certain legal requirements that allow the instrument to circulate freely in commerce, such as being an unconditional promise or order to pay a fixed amount of money and being payable on demand or at a definite time (V.T.C.A., Bus. & C. § 3.104). Embodiments of Applicants may allow a merchant **to substitute the e-check for the paper check as the negotiable instrument** (see [0017]). Neither Goeller nor Drummond, nor the combination, teach or suggest generating a negotiable instrument.

As a further illustration of a negotiable instrument in electronic form, Applicants again refer Examiner to WIPO application WO 2008086630 which describes the

generation of electronic negotiable instruments using predefined electronic files for providing promise of payment. Applicants submit that WO 2008086630 is different from embodiments of Applicants because, inter alia, WO 2008086630 requires receiving a specified mode of communication associated with the payee and sending a message to the selected payee over a communications network to inform the payee of the availability of the electronic negotiable instrument.

In light of the above discussion, Applicants again respectfully argue that neither Goeller nor the combination of Goeller and Drummond disclose all of the elements of claim 1, specifically generating a negotiable instrument based upon the image. Applicants also respectfully submit that the Office Action has not clearly articulated any reasons why creating an image of a check for the purpose of replacing the check with an e-check as a negotiable instrument would have been obvious from the combination of Goeller and Drummond. Accordingly, Applicants respectfully traverse rejections of obviousness in regard to independent claim 1 and request that claim 1 be allowed.

In regard to claims 2-8 and 31, claims 2-8 and 31 depend from independent claim 1. If an independent claim is nonobvious under 35 USC § 103, then any claim depending therefrom is nonobvious.[4] As noted above, Applicants respectfully maintain that independent claim 1 is not obvious and that the rejection is traversed. Because the rejections of claims 2-8 and 31 are predicated upon the obviousness of claim 1, Applicants respectfully traverse the rejections of dependent claims 2-8 and 31 and request that the claims be allowed.

In regard to independent claims 17 and 23, Applicants respectfully point out that both claims have the limitation of generating a negotiable instrument. As noted above, Applicants respectfully maintain that neither Goeller nor the combination of Goeller and

[4] *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988).

Drummond disclose or suggest using an image scanner to create an image for **a negotiable instrument**. Accordingly, Applicants respectfully traverse rejections of obviousness in regard to independent claims 17 and 23 and request that claims 17 and 23 be allowed.

In regard to claims 18-22, claims 18-22 depend from independent claim 17. As noted above, Applicants respectfully maintain that independent claim 17 is not obvious and that the rejection is traversed. Because the rejections of claims 18-22 are predicated upon the obviousness of claim 17, Applicants respectfully traverse the rejections of dependent claims 18-22 and request that the claims be allowed.

In regard to claims 24-29, claims 24-29 depend from independent claim 23. Consequently, because the rejections of claims 24-29 are predicated upon the obviousness of claim 23, Applicants respectfully traverse the rejections of dependent claims 24-29 and request that the claims be allowed.

Claim rejections under 35 USC § 102(b)

The Office action rejected claims 9-16 under 35 USC § 102(b) as being anticipated by Goeller. A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.[5] Additionally, the identical invention must be shown in as complete detail as is contained in the ... claim.[6] Applicants respectfully submit that Goeller does not anticipate claim 9 because Goeller does not describe, either expressly or inherently, generating an e-check based upon an image of a check with the e-check including the image.

Applicants respectfully argue that Goeller does not generate an e-check which includes the image. As argued above, Applicants submit that Goeller creates a

[5] *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987).
[6] *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989).

transaction which facilitates a transfer of funds (Goeller [0012-0014], with emphasis added). Therefore, Applicants respectfully submit that Goeller does not anticipate amended claim 9, respectfully traverse the rejection of independent claim 9 and request that claim 9 be allowed.

Regarding claims 10-16, claims 10-16 depend from independent claim 9. Applicants respectfully submit independent claim 9 is in condition for allowance and the rejections to dependent claims 10-16 are now moot. Accordingly, Applicants respectfully traverse the rejections of claims 10-16 and request that the claims be allowed.

CONCLUSION

Applicants have responded to and respectfully traversed the 102 and 103 rejections cited in the June 6, 2009 Office Action. Consequently, Applicants believe they have fully responded to the arguments made by the Examiner. Applicants believe that the pending claims are in condition for allowance. Thus, Applicants request that the pending claims be allowed and that the application advance toward issuance. If the Examiner has any questions, comments, or suggestions, the undersigned attorney would welcome and encourage a telephone conference at (512) 692-7297.

A fee for one month extension of time accompanies this response. No other fees are believed due with this filing. However, if any fee is determined to be required, the Office is authorized to charge Deposit Account 09-0447 for any such required fee.

10/5/09
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Date

Respectfully submitted,



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